



# NATIONAL LABOR RELATIONS BOARD

WASHINGTON, D.C. 20570

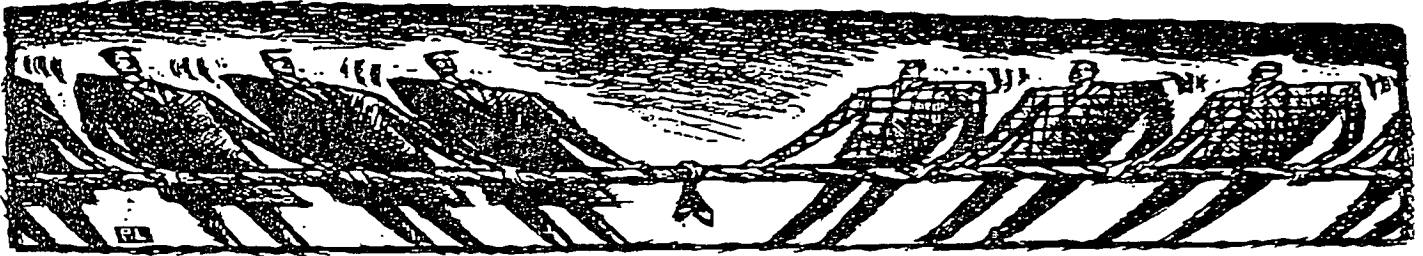
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**ATTN: Business Desks**  
**Assignment Editors**

## **PRESS ADVISORY**

**William B. Gould IV, Chairman of the National Labor Relations Board, will present a luncheon address before the Santa Clara Bar Association on Wednesday, July 24 at approximately 12:30 p.m. at the Sunnyvale Hilton, 1250 Lakeside Drive, Sunnyvale, CA. His topic will be "Issues Before the NLRB and Their Significance to Silicon Valley." One area he will focus on is labor-management cooperation in the U.S. and the TEAM Act, which was approved by the House last year and the Senate earlier this month. By way of background I have attached an op-ed article by Chairman Gould on why he opposes the TEAM Act that appeared in the San Francisco Chronicle on July 12, 1996.**



# Giving Workers Short End of the Stick

By William B. Gould IV

**E**VER SINCE competition from Japan resulted in devastating layoffs in the 1970s, American companies, union and non-union, have looked to employee involvement as a means to enhance product quality and recapture lost ground in the global marketplace. Faster than one could say Edward Deming, the American pioneer who brought the employee-participation concept to a devastated Japan after World War II, employers realized that workers were a valuable resource whose brains should not be checked at the company door.

For more than a decade public policy has supported this concept.

The Clinton administration's labor board decisions have promoted cooperation between employees and managers, eroding the "them and us" mentality all too prevalent in American industry. Yet, the National Labor Relations Act, written 61 years ago in the depths of the Great Depression, has not always been up to date.

But the Republican Party, in sponsoring the TEAM Act, now on its way to the president's desk for his signature, has managed to produce a flawed remedy that would discourage autonomous unions and collective bargaining. The Senate passed the bill Wednesday by a largely party-line vote of 53 to 46 — far short of the two-thirds margin required to override a veto. It was identical to a measure the House approved last year. The administration opposed the bill for good reasons.

The Republicans seek to promote employee committees and teams — a worthy objective shared by most who value genuine employee participation. But the TEAM Act, as written, actually should be called the Employee Domination Act, because it would allow employers to impose such arrangements upon employees regardless of their wishes, appointing the workers' representatives for them and determining what issues they would take up and discuss.

The reasoning of the Republicans is as flawed as their policy. Repeatedly, they have claimed that there are "illegal" subjects of discussion between employees and employers in non-union establishments and that workers and managers are precluded from communicating with one another. This is completely false. Such employees and employers may discuss anything that they want under present law — everything from wages, overtime payments, rest periods, problems relating to the quality of the product or sales.

Notwithstanding the flawed TEAM Act, the National Labor Relations Act is badly in need of revision. Specifically, it should provide for a more level playing

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*If signed by President Clinton, the TEAM Act 'would discourage autonomous unions and collective bargaining'*

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field between unions and employers as they compete in the marketplace of ideas for the allegiance of workers in organizational campaigns. The lawfulness of employee committees in a non-union environment is important as well.

The principal deficiency of the current law lies in its ambiguity. First, while the Labor Relations Act prohibits "financial" assistance or other "support," these terms are not self-defining. Literally, if an employer were to grant an employee committee the use of plant facilities, such as copying machines and meeting rooms, it would run afoul of the statute — although it is unusual to find a violation on this basis.

Second, in an even more bizarre way, the act makes it unlawful to dominate or

assist an organization concerned with employment conditions. At the same time, an organization in which the employees and employer representatives discuss so-called "managerial" matters — such as quality product or sales — is beyond the purview of the statute.

In a non-union situation, the sensible response to all of this is to allow employee groups, with or without a management representative, to discuss anything, whether it be wages, break periods or the problems confronted in selling the product. The more workers know about the enterprise and the better they are able to participate in decision making, the more likely democratic values and competitiveness will be enhanced. And, if the law is simplified, ordinary workers and small business persons will be able to adapt to their own circumstances and avoid reliance on wasteful and expensive litigation.

Employers should be able to promote the creation and subsidization of groups. In the real world that is what is happening anyway. With workers unrepresented by unions in 85 percent of the workforce, how else can such systems flourish?

The final and most important aspect of any change should be an assurance that employee organizations will be autonomous. This does not mean that a ballot-box procedure must be used in each establishment. But the employer that promotes such a group must be prepared to allow for genuine worker participation in leadership as well as involvement in employment issues.

Deliberately, the TEAM Act does not provide for democracy in the workplace. Its purpose is to permit employers to dominate employees. The proposal is inconsistent with the most basic teachings of our Constitution and the National Labor Relations Act itself.

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William B. Gould IV is chairman of the National Labor Relations Board.